



California Regional Water Quality Control Board

Santa Ana Region

Winston H. Hickox
Secretary for
Environmental
Protection

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Gray Davis
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June 13, 2003

Mr. Wong Chung Ming
Tung Chun Company
Tung Chun Commercial Centre, 6/F
438-444, Shanghai Street
Mongkok, Kowloon, Hong Kong

DIRECTIVE TO SUBMIT A WORK PLAN AND CONDUCT A PERCHLORATE INVESTIGATION IN THE VICINITY OF 3196 NORTH LOCUST AVENUE, CITY OF RIALTO, SAN BERNARDINO COUNTY, CALIFORNIA

Dear Mr. Ming:

Perchlorate has been detected in municipal water supply wells in the Rialto and Colton Groundwater Subbasins located in the State of California, United States. These water supply wells are located downgradient of the American Promotional Events, Inc. – West, (hereinafter APE – West) facility. According to the San Bernardino County Tax Assessor's office and a lease between your company and APE – West, you are and have been the owner of the property located at 3196 Locust Avenue, Rialto, California, since 1988.

Information provided by local businesses in response to subpoenas issued by this agency indicates that: (1) you leased the 3196 Locust Avenue property to Pyrodyne American Corporation on September 30, 1989, and have amended and extended that lease to Pyrodyne's successors, American West Marketing, Inc., followed by American Promotional Events, Inc.; and (2) you are aware that the current lessors and tenants of the property (APE – West and Pyro Spectaculars by Souza) are in the pyrotechnics business and use the property to manufacture, handle, test, burn and store fireworks.

This letter sets forth a requirement under California Water Code Section 13267 that you conduct an investigation to define the lateral and vertical extent of perchlorate in soil and groundwater in the vicinity of 3196 North Locust Avenue, Rialto, California. As required by that provision, this letter contains an explanation of the need for the investigation, and cites evidence supporting the requirement.

California Environmental Protection Agency



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Background

Perchlorate contamination was first detected in groundwater in the Rialto and Colton Subbasins in 1997. At that time, the California Department of Health Services (DHS) Action Level (AL) for perchlorate in drinking water was 18 parts per billion (ppb). Two wells had perchlorate levels exceeding 18 ppb and were shut down. In January 2002, the DHS lowered the AL to 4 ppb. In response to the reduced AL for perchlorate, the local water purveyors in the Rialto and Colton Groundwater Subbasins restricted or eliminated the use of additional production wells with perchlorate concentrations that exceeded 4 ppb. Between 1997 and the present, various suspected perchlorate dischargers, including former and current occupants of your property at 3196 North Locust Avenue, have been identified.

Requirement for an Investigation

The Regional Board has directed staff to issue individual letters under California Water Code Section 13267 to suspected perchlorate dischargers in the Rialto and Colton Groundwater Subbasins. Several letters similar to this one have already been issued over the last several months to other suspected dischargers and to the owners of affected properties. The Board also expressed a strong desire that suspected perchlorate dischargers work with the local water purveyors to provide a supply of replacement water during the loss or limited use of their production wells.

The Need for the Investigation

The Santa Ana Regional Water Quality Control Board is charged with the protection of water quality in this Region. We have been working actively with the water surveyors for several years to identify the extent and address the impact of perchlorate contamination on water resources in the Colton and Rialto Groundwater Subbasins. The water purveyors whose wells have been contaminated with perchlorate now face a state of emergency, and may not be able to provide an adequate water supply to their customers. It is urgent that the sources of the contamination be identified, and the magnitude of the perchlorate plume defined.

Evidence Supporting the Need for the Investigation

Enclosed are the following documents:

1. Well Location Map, showing perchlorate contamination in municipal water supply wells in the vicinity of Rialto, Colton and Fontana, California.
2. Lease Agreement between Mr. Wong Chung Ming and Pyrodyne American Corporation, and extensions and amendments to lease (doc nos. APE 000356-000378, obtained from APE - West pursuant to subpoena).

3. Property Ownership Records for Parcel 0239-192-17-0000 and Parcel 0239-192-18-000 (obtained from San Bernardino Tax Assessor's Internet Site).
4. City of Rialto and County of San Bernardino Records of Storage and Disposal of Fireworks, 3196 North Locust Avenue, Rialto, California (documents obtained from APE – West pursuant to subpoena).
5. Plot Plan of APE – West and surrounding property, showing waste disposal pit, and excerpts from Environmental Assessment Report, dated May 2001 (documents obtained from APE – West pursuant to subpoena).

The evidence indicates that Pyrodyne and its successors manufactured, handled, tested, burned and stored fireworks containing perchlorate salts at the property located at 3196 North Locust Avenue, Rialto, California. In addition, City of Rialto records indicate that on-site disposal systems have been used at the site since it was first occupied for industrial use. Disposal of perchlorate waste in unlined pits and septic systems is suspected to have occurred during occupancy of the Locust Avenue property by Pyrodyne and other parties. Groundwater analytical results indicate that perchlorate concentrations exceed the AL in municipal water supply wells that are located downgradient of the former Pyrodyne facility. Based on the evidence, Pyrodyne, APE – West and Pyro Spectaculars are suspected of having discharged perchlorate on the property. As the owner of the affected land, you bear legal liability under California law for the discharges that have adversely affected water quality. This evidence supports the requirement for an investigation as defined in Section 13267(b)(1) of the California Water Code.

Deadlines

1. A work plan for a soil and groundwater investigation for perchlorate in the vicinity of the property at 3196 Locust Avenue must be submitted to Board staff no later than August 13, 2003. The proposed tasks and scope of work shall be coordinated with the investigation activities that are already in progress by the tenants of 3196 Locust Ave., APE – West and Pyro Spectaculars by Souza. The work plan must include a detailed time schedule for the tasks to be conducted. The work plan and time schedule will be subject to my approval.
2. The investigation must commence within 30 days of my approval of the work plan.
3. All analytical results, groundwater measurements, and field information are to be submitted by fax to Board staff within 24 hours of being generated, throughout all stages of work, and during all phases of the investigation. The office fax number to be used for your data transmittals is (909) 781-6288.
4. The final report for the soil and groundwater investigation, including (at a minimum) the borehole logs, well construction details, groundwater elevation data, and soil and



groundwater analytical results, must be submitted to Board staff within 30 days of completing the field work.

Failure to submit the required information by the specified deadline may subject you to administrative civil liability in the amount of up to \$1,000 per day, pursuant to Section 13268(a) and (b) of the California Water Code.

The Board has directed staff to explore alternative ways of solving the water supply problem in the Rialto and Colton Groundwater Subbasins. In addition, consistent with the Board's direction, we will be issuing similar directives to a number of other suspected dischargers who have operated in the North Rialto area. Thus, there may be opportunities to cooperate with other entities to implement joint investigations or to propose solutions that would address the water supply problem. In fact, we believe it would be both scientifically effective and economically efficient for the suspected dischargers subject to these directives to jointly pursue the investigation and to explore water supply replacement options. Further, consistent with the Board's direction, we recommend that the joint efforts of the suspected dischargers consider both the characterization of the plume and initiation of water supply replacement or treatment strategies. Board staff has experience managing similar joint investigations and cooperative solutions and we are available to discuss these further with you. If you are interested in discussing alternative options for complying with this directive, please contact us to arrange a meeting or teleconference.

California Water Code Section 13365 addresses the billing process for the Regional Board to recover reasonable expenses for overseeing investigation of illegal discharges, contaminated properties, and other unregulated releases that may adversely affect the State's waters. It is the Regional Board's intent to recover such costs for regulatory oversight work conducted in accordance with this order. A description of the Board's procedure for cost recovery for regulatory oversight of investigations and cleanups will be sent to you under separate cover.

Please provide us with the name, address, and telephone number of your attorney. If you have any questions about this letter, or if you would like to arrange a meeting or teleconference, please contact Ann Sturdivant, Chief of our Spills, Leaks, Investigations and Cleanups Section, at (909) 782-4904.

Sincerely,



for Gerard J. Thibeault
Executive Officer



Enclosures:

1. Well Location Map, showing perchlorate contamination in municipal water supply wells in Rialto, Colton and Fontana, California.
2. Lease Agreement between Mr. Wong Chung Ming and Pyrodyne American Corporation, and extensions and amendments to the lease.
3. Property Ownership Records for Parcel 0239-192-17-0000 and Parcel 0239-192-17-000 from San Bernardino Tax Assessor's Internet Site.
4. City of Rialto and County of San Bernardino Records of Storage and Disposal of Fireworks, 3196 North Locust Avenue, Rialto, California (documents obtained from APE – West pursuant to subpoena).
5. Plot Plan of APE – West and surrounding property showing waste disposal pit, and excerpts from Environmental Site Assessment (dated May 2001).
6. Mailing List.

cc w/enclosures:

Victor Kwan, 1001 De la Fuente, Monterey Park, CA 91754

cc w/out enclosures:

Regional Board members

Jorge Leon, Office of Chief Counsel, SWRCB

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Inland Empire Perchlorate Regulatory Task Force members (see mailing list)

AES/Data/SLIC/2001-03 Rialto perchlorate/13267/Wong Chung Ming

